

Head Office

Box 248 - Terminal A

TORONTO - ONTARIO

Malthouses and Elevators

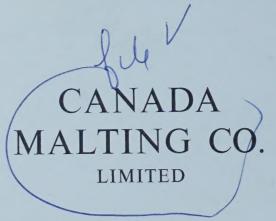
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REPORT TO SHAREHOLDERS

For the six months ended June 30, 1970

CANADA MALTING CO.

TO OUR SHAREHOLDERS:

We present herewith an Interim Report covering the consolidated results of your Company for the six-month period ended June 30th. The statements include the operations of our subsidiary, Leaver Mushrooms Co. Limited, for the first time.

Earnings per common share, after providing for cumulative preferred dividends to June 30th, were \$1.18, compared with \$1.12 for the same period last year.

Total volume of malt shipped in the first six months was approximately 4% higher than last year, and this larger volume helped to offset increased operating costs.

Construction of additional mushroom growing facilities at Campbellville, Ontario, is now under way and scheduled for completion early next year.

On behalf of the Board

Harry F. Graesser, President.

TORONTO, ONT. July 31, 1970

Consolidated Earnings for the Six Months ended June 30, (unaudited)

	1970	1969
Net Sales	\$20,212,870	\$18,432,406
Cost and expenses: Cost of products sold and all expenses except items shown below Provision for depreciation	17,084,761 679,152	15,615,412 526,215
Earnings from operations Investment and other income	17,763,913 2,448,957 21,120 2,470,077	16,141,627 2,290,779 21,063 2,311,842
Provision for income taxes Net earnings before minority interest Minority interest in earnings of subsidiary Net earnings for the period	1,106,377 23,711	1,270,000 1,041,842 \$ 1,041,842
Earnings per share after preferred dividends	1.18	1.12
Note: 1970 figures include operations of Leaver Mushrooms Co. Limited from January 1, 1970.		

Source and Application of Funds for the Six Months ended June 30

	1970	1969
Working capital at beginning of year as previously reported	\$10,549,954	\$ 9,255,769
effective date of the start of operations	1,007,297	-
	11,557,251	9,255,769
Source of funds:		
Net earnings for the period	1,082,666	1,041,842
Charges (credits) against earnings not affecting cash outlay		
Provisions for depreciation	679,152	526,215
Decrease in deferred income taxes		(27,000)
Minority interest in earnings of subsidiary	23,711	-
	1,740,529	1,541,057
Application of funds:		
Investment in capital stock of partly owned subsidiary	1,200,000	-
Expenditures for fixed assets (net)	363,794	97,905
Cash dividends paid on common shares	431,944	431,944
Cash dividends paid on preferred shares (for 12 months ended		
March 15)	135,358	146,596
Cost of Series B preferred shares purchased for cancellation	34,936	57,544
	2,166,032	733,989
Resulting in an increase (decrease) in working capital of	(425,503)	807,068
Working capital at end of period	\$11,131,748	\$10,062,837